BUDGET RESOLUTION/Instruction on Medicare & Prescription Drugs

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 2000-2009 . . . H.Con. Res. 68. Domenici motion to instruct conferees.

ACTION: MOTION AGREED TO, 57-42

As passed, H.Con.Res. 68, the Senate Concurrent Budget Resolution for fiscal years 2000-2009: will cut the debt held by the public (money that the Federal Government owes to creditors other than itself) in half over 10 years; will save the entire \$1.8 trillion in Social Security surpluses over the next 10 years for Social Security; will fully fund Medicare, with annual funding doubling over 10 years (all of the President's proposed \$9 billion in Medicare cuts were rejected; as a result, this budget will allow \$20.4 billion more in Medicare spending over the next 10 years than proposed by the President); will provide for \$765.9 billion in net tax relief over the next 10 years (in contrast, the President's budget would increase the tax burden by \$96 billion net over 10 years), and will adhere to the spending restraints (discretionary spending caps and pay-go provisions) of the bipartisan budget agreement as enacted in the Balanced Budget Act of 1997 and the Taxpayer Reform Act of 1997 (the President's proposed budget, in contrast, would dramatically increase spending in violation of that bipartisan agreement, and would result in \$2.2 trillion more in total Federal debt at the end of 10 years than proposed in this Senate budget). After tax relief is provided, the on-budget surplus over 10 years will still be \$101 billion; that money will be available for additional debt reduction or to pay for high priority items, such as the costs of a Medicare reform bill or the costs of emergency spending.

The Domenici motion to instruct conferees would instruct conferees to insist on retaining in the conference report the Roth/Breaux amendment (see vote No. 65) regarding Medicare reform and the Snowe/Wyden amendment (adopted in the Budget Committee before the budget resolution reached the Senate floor) regarding the use of on-budget surpluses to provide a Medicare prescription drug benefit.

Those favoring the motion to instruct contended:

(See other side)					
YEAS (57)		NAYS (42)		NOT VOTING (1)	
Republicans	Democrats	Republicans	Democrats	Republicans	Democrats
(55 or 100%)	(2 or 5%)	(0 or 0%)	(42 or 95%)	(0)	(1)
Abraham Allard Ashcroft Bennett Bond Brownback Bunning Burns Campbell Chafee Cochran Collins Coverdell Craig Crapo DeWine Domenici Enzi Fitzgerald Frist Gorton Gramm Grams Grams Grassley Gregg Hagel Hatch	Hutchinson Hutchison Inhofe Jeffords Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Snowe Specter Stevens Thomas Thompson Thurmond Voinovich Warner	Breaux Kerrey	Akaka Baucus Bayh Biden Bingaman Boxer Bryan Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Edwards Feingold Feinstein Graham Harkin Hollings Inouye	Johnson Kennedy Kerry Kohl Landrieu Lautenberg Leahy Levin Lieberman Lincoln Mikulski Murray Reed Reid Robb Rockefeler Sarbane Gficial I Schumelecessar Torricellpess Wellstollber Wyden SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea
Helms	,, arrier				

VOTE NO. 83 APRIL 13, 1999

The Senate-passed budget resolution did three very important things for Medicare. First, it rejected the President's proposed cuts in Medicare. Second, it fully funded Medicare for the next 10 years, so that full funding for all benefits will be provided even as the number of people receiving Medicare grows rapidly. In fact, the total amount spent each year on Medicare will more than double. Third, it created a reserve fund that will allow the use of more than \$100 billion in on-budget surpluses to be used to pay for Medicare reform costs. Democrats do not like that proposal. They like the President's idea of cutting spending on Medicare now and giving the program a lot of Treasury note IOUs which, if they are ever redeemed, will have to be redeemed by collecting new money in taxes or by borrowing money (the third option, cutting other spending, would never be approved by Democrats).

Specific parts of the budget resolution include a Roth/Breaux amendment that commits the Senate to working on passing, this year, a bipartisan Medicare reform bill, such as the proposal that was developed by the Bipartisan Medicare Reform Commission, and a Snowe/Wyden amendment that authorizes the use of the on-budget surplus to provide new Medicare prescription drug benefits as part of Medicare reform. The pending Domenici motion to instruct would tell Senate conferees to insist on retaining those bipartisan proposals.

Unfortunately, the President and many liberal Democratic Senators have yet to show any interest in finding a real solution to Medicare's problems. Instead, they continue to argue for a gimmick solution that they know Republicans will not accept. They are not being constructive—they are just playing politics. We urge our liberal colleagues to stop playing partisan games with Medicare. Bipartisan approaches have been suggested, and Republican Senators, with their votes, have proven they are more concerned with fixing Medicare than playing politics with the issue. If Democratic Senators stop their political games, we are convinced real and lasting Medicare reform is possible this year.

Those opposing the motion contended:

If Medicare is going to be saved it is going to need a lot more money. The number of Medicare recipients is growing so rapidly that the program will be insolvent, according to the most recent figures, in 2015 (the estimate was just moved up from 2008 because continued economic growth has resulted in higher than expected Medicare payroll tax collections, and that growth is expected to continue). If no reforms are made, and if we want Medicare to last 12 more years than 2015, then we will have to add an extra \$688 billion from the general fund into Medicare. The President proposed making that transfer, but our Republican colleagues refused, even though the United States will collect more than that amount in extra taxes over the next 10 years. Our Republican colleagues refused because they want to use the money to give new tax breaks to their rich friends. They have designed a budget resolution that does not add anything to the Medicare trust fund. It will allow the on-budget surplus (which will not even begin to accumulate for 5 years) to be used for Medicare reform, but that is a small concession. Much more must be done. The pending Domenici motion basically asks us to endorse the Republican approach of doing little to save Medicare at the same time as we give big tax breaks to rich Americans. We will not endorse that approach, and thus oppose this motion.